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Letter dated 27 December 2001 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached report from San Marino, submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I should be grateful if you would arrange for this letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Jeremy **Greenstock**
Chairman
Counter-Terrorism Committee

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Annex

[Original: English]

Letter dated 21 December 2001 from the Permanent Representative of San Marino to the United Nations addressed to the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

I have the honour to forward herewith the report of the Republic of San Marino to the Counter-Terrorism Committee pursuant to paragraph 6 of resolution 1373 (2001) (see enclosure).

My Government remains available for any further explanation and information.

I would appreciate if you could kindly circulate both this letter and the enclosed report as an official document of the Security Council.

(*Signed*) Gian Nicola Filippi **Balestra**
Ambassador
Permanent Representative

Enclosure

AIDE-MÉMOIRE

With regard to Resolution 1373 (2001) of the UN Security Council, dated 28 September 2001, the Government of the Republic of San Marino has adopted several provisions to monitor and counter the financing of international terrorism.

In particular, by terms of its Decision No. 1 of 5 November 2001, the Government: invited the Office of Banking Supervision to continue to transmit to all banking and financial institutions the lists drafted by the supervisory or police bodies of other countries or International Organizations containing the names of individuals and organizations suspected of international terrorism; ordered that banking and financial institutions immediately freeze the capitals and any other resources or assets deposited with them, as well as block any other transaction suspected of being directly or indirectly linked to the individuals appearing in the above-mentioned lists, and that they promptly report back to the Office of Banking Supervision; and mandated the Office of Banking Supervision to communicate the decisions referred to in the Decision to all intermediaries subject to supervision, to issue all implementation provisions that it may deem necessary and to inflict, where appropriate, the administrative sanctions set forth in art. 9 of Law No. 123 of 15 December 1998 on Anti Money Laundering.

In the meantime, since 26 September 2001, the Office of Banking Supervision, by means of a mandatory Circular Letter, has invited banking and financial institutions: to forward the names of natural and legal persons, both resident and non resident, in relation to whom financial transactions – that are liable of being linked, either directly or directly, to terrorist organisations known worldwide – may be reported; to monitor all transactions conducted by legal persons having business relations of any type with residents in high-risk Arab countries; and to report to the Office of Banking Supervision, where appropriate.

As from 4 October 2001, the lists of individuals and organizations suspected of international terrorism disseminated by international supervisory and law enforcement bodies have been forwarded to banking and financial institutions.

The embargos adopted by the United Nations with Resolutions No. 1267 of 15 October 1999, and No. 1333 of 19 December 2000 were formally received by the San Marino Currency Authority on 18 July 2000 and 8 October 2001 respectively.

Notably, the Office of Banking Supervision is the supervisory authority of the banking and financial system under Law No. 24 of 21 February 1986 (Bank Law), and the Financial Intelligence Unit in anti-money laundering matters under Law No. 123 of 15 December 1998 (Anti-Money Laundering Law).

It is worth recalling that since 11 October 2001 the Government of San Marino has expressed, by addressing a note to the relevant US Authorities, its willingness to fully and actively cooperate in the common fight against terrorism.

This note was followed by a phone conversation between the Foreign Minister and the Minister of Finance of the Republic of San Marino and the US Undersecretary of the Treasury, which subsequently resulted in an agreement to cooperate in the fight against terrorism also through the monitoring and countering of any suspicious financial flows which may affect or have affected the financial system of San Marino.

It is also worth noting that the Republic of San Marino has started combating money laundering since 1990, with the Office of Banking Supervision duly instructing banking and financial institutions on customer identification rules, and issuing – from 1996 onwards – other provisions concerning restrictions on the use of cash in transactions, record-keeping and suspicious transaction reporting.

On 15 December 1998 a comprehensive anti-money laundering legislation, taking an "all crimes" approach, was passed.

The anti-money laundering regime put in place in the Republic of San Marino was scrutinised by the Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures (PC-R-EV) of the Council of Europe in February 2000. During the discussion of its country report, in January 2001, it resulted that the San Marino anti-money laundering regime rests upon a solid legislative basis, though its relevant legislation is recent.

A more recent evaluation was made by the IMF Staff on occasion of the latest Article IV consultations. The Staff Report, approved by the IMF Executive Board on 5 December 2001, recognised that the steps taken by San Marino in the field of anti-money laundering and bank supervision are in line with international standards.

In this respect, it is also worth noting that San Marino was not included in the FATF list identifying Non Cooperative Countries and Territories (NCCT).

As far as international cooperation is concerned, San Marino ratified or acceded to the following Conventions:

- Single Convention on Narcotic Drugs (New York, 1961)
- Convention on Psychotropic Substances (Vienna, 1971)
- United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna, 1988)
- Protocol amending the Single Convention on Narcotic Drugs (Geneva, 1972)
- Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime (Strasbourg, 1990)

Moreover, San Marino signed the following Conventions, to be ratified after the conclusion of the relevant parliamentary procedure currently under way or after the completion of ratification or accession formalities:

- European Convention on Extradition (Strasbourg, 1957)
- European Convention on Mutual Assistance in Criminal Matters (Strasbourg, 1959)
- European Convention on the International Validity of Criminal Judgements (The Hague, 1970)
- European Convention on the Suppression of Terrorism (Strasbourg, 1977)
- International Convention for the Suppression of Terrorist Bombings (New York, 1997)
- International Convention for the Suppression of the Financing of Terrorism (New York, 1999)
- UN Convention Against Transnational Organised Crime and its two Protocols (New York, 2000)

In July 2001 an agreement was reached between the San Marino Office of Banking Supervision and the Italian Exchange Office (Italian FIU) on cooperation and exchange of information in anti-money laundering matters.

The Government of San Marino intends, moreover, to proceed in the near future with the signature and ratification of the following Conventions for the prevention and suppression of international terrorism:

- Convention on Offences and Certain Other Acts Committed on Board Aircraft (Tokyo, 1963)
- Convention for the Suppression of Unlawful Seizure of Aircraft (The Hague, 1970)
- Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, 1971)
- Convention on the Prevention and Punishment of Crimes Against Internationally Protected persons, Including Diplomatic Agents (United Nations, 1973)
- International Convention Against the Taking of Hostages (United Nations, 1979)
- Convention on the Physical Protection of Nuclear Material (Vienna, 1980)
- Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, Supplementary to the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, 1988)
- Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation (Rome, 1988)

- Protocol for the Suppression of Unlawful Acts Against the Safety of Fixed Platforms Located on the Continental Shelf (Rome, 1988)
- Convention on the Marking of Plastic Explosives for the Purpose of Detection (Montreal, 1991)

Lastly, the Government of San Marino is elaborating a bill to criminalize and combat international terrorism in line with the actions taken by other European Governments subsequent to the terrorist attacks of 11 September 2001.

San Marino, 19 December 2001